

Summer Recess

Inflation hit badly, and we reaped it in the seventies because of the lack of co-ordination, planning or scheduling in the sixties.

Apparently the byword of the New Democratic Party is "industrial strategy"; a great phrase that, "industrial strategy". Another great one is a "manpower policy". It amazes me that they cannot understand how beneficial it is for us to have an opportunity to begin the pre-build now rather than five years from now when we may begin simultaneously the whole pipeline. At this moment the country is badly in need of such a project. If this was not the project, logically we should look for another one.

The average Canadian who is out of work through no fault of his own, and this includes the high number of unemployed people in the greater Hamilton area, would prefer a steady job. He would prefer to work instead of receiving a handout, unemployment insurance, welfare, LIP, OFY, make-work, or call it what you want. There is no real substitute for these types of projects properly handled and properly introduced.

I am sure the opportunities for the Minister of Finance (Mr. MacEachen) are obvious. With the injection of capital from the United States at the beginning of this project, the dollar should be strengthened. If he wants to lower interest rates and if he wants to bring the value of the dollar down so that it will not affect our exports in the pulp and paper industry, he can then do so. He needs this kind of a project badly. We need it to help Alberta, the people in the natural gas industry and the independent producers who are essentially Canadians. They need this cash flow. There is nothing wrong with stating that. They will take that cash flow, reinvest it, explore some more and bring other wells on stream.

In a country with the energy surplus we have but an oil shortage, obviously natural gas is one source of surplus energy. It happened to be a byproduct of oil in the old days and now it is coming into its own. We have a tremendous surplus, and will for five or ten years, if we believe the National Energy Board, and that is its responsibility. We have the need, the customers, the gas and the will power. Only the NDP with its reactionary approach cannot see the benefits of a project of this size. This is why they will never get out of the corner. They cannot think nationally. They never could; they never will. They do not even have the freedom to think because they are fettered by their convictions that something about private enterprise is bad, that we should own everything.

Some hon. Members: Oh, oh!

Mr. Mackasey: It has been proven so many times it is obvious. Perhaps the Leader of the NDP is not quite that doctrinaire, but he does what his backbenchers tell him. That is why he is there. That is why he came hustling back to the House on Friday to find out what was going on. One only has to go back to the auto pact. They were against the auto pact in the sixties—I remember that like yesterday—then they became the greatest supporters of it. Even the statement of Dennis McDermott today is a reasonable one. It embarrasses that party with the type of faint praise you and I know we could do without.

What are the economic benefits of this project? They have been restated over the weekend in every newspaper, by the minister, and by the hon. senator in the other place. I know statistics bore all of us, but if one looks at the figures of the Department of Finance, the pre-build itself will represent a \$2 billion positive impact on our balance of payments. That is a greater sum than the main line, because the main line will be built in the other country. It means 150,000 man-years of work, none of which would be worth it if this was a bad project. It is not a bad project. It means 150,000 jobs which will be spread right across this great country of ours. I have to be a little selfish and suggest that it is more than a hope that they will find their way into Welland, Hamilton and the Niagara Peninsula where unemployment is much too high.

I cannot get up in the House on a debate like this and suggest that it is relatively unimportant to the unemployed in Hamilton, that in the name of false economic nationalism we should postpone this project for five, ten, or 20 years until there are some Utopian-type guarantees. I am more concerned about the unemployed workers in my riding than that.

The statistics indicate that we will knock about one half of one per cent off the unemployment figure just with the pre-build, and two-thirds of 1 per cent when the total project is over. As the minister mentioned, we will have upwards of 90 per cent Canadian content in most of our purchases, and 100 per cent Canadian content in the pipe. It means an injection into the economy of \$1.45 billion at a time when the economy needs such an injection. Ironically, this is quite in line with the NDP's change in policy, with which I do not necessarily differ. If we were to come along during any other period of unemployment and suggest, "We are going to inject \$2 billion right now into the economy. Let's change it"—that is the policy which the eloquent financial critic of the NDP has been talking about for months. He wants to get it through a greater deficit, which is the same thing. We, fortunately, happen to have a \$2 billion project available. The problem, of course, will be to make certain we do not fan the fires of inflation.

• (1620)

Mr. Waddell: What happens two years from now?

Mr. Mackasey: Calm down. Relax. That \$2 billion should have a beneficial effect on the dollar. The minister, his advisers suggest, will have more flexibility with regard to the setting of interest rates. If he is worried that the dollar is going too high he can lower interest rates and bring the value down so that our exporting companies will not be affected.

I was particularly interested in one telegram which came in; I think it was an honest appraisal of the impact. The company in question is Dofasco in Hamilton; it does not benefit directly from the project because it does not make pipe of the size required. But they endorse it. I will just read the first paragraph:

Approval by the federal government of construction of the pre-build portion of the Alaska Highway gas pipeline will provide a much needed boost to the Canadian economy both with respect to maintaining existing jobs in Hamilton and